

FEDERATION OF EAST AFRICAN FREIGHT FORWARDERS ASSOCIATIONS

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Federation of East African Freight Forwarders Associations (FEAFFA)

Quarterly Report on compete grant

3RD Quarter, JULY – SEP 2010

Vision: To be a model professional Association in Freight

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Section A. General Information

Name of Organization:	Federation of East African Freight Forwarders Association (FEAFFA)
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Organization's Contact Person:	John K. Mathenge, Regional Executive Officer
P F Tracking Number:	<u>FEA-STA-010-012</u>
Title of Activity:	Strengthening FEAFFA to become a self sustaining regional business association effective in championing the growth and development of an efficient, professional, self-regulated and competitive freight logistics industry.
Start Date of Reporting Period:	1 st July 2010
End Date of Report:	30 th September 2010
Date Report Submitted:	15 th September 2010

Section B. Overview

During the quarter under review, all the members of staff to be recruited under the grant came on board. On the other, few activities under the grant were executed owing to funding challenges. However, we were well informed about the delay in the remission of funds.

There was more focus on activities that did not require funding by the grant. It was especially gratifying that the Secretariat managed to develop concept notes and interest development partners to support several activities that are not funded under the COMPETE grant. This includes development of an E-Learning portal, Information portal, Establishment of a registration system for professionals and establishment of an accreditation system.

Detailed review report is provided in the matrix below.

Section C. Activity Matrix

Pillar and activities	Target out	Status	Comments/challenges
Institutional development and self sustainability	To recruit administrative assistant Communication and advocacy officer	The two members of staff commenced service in July and August respectively. By end of August, induction of the staff was complete.	Being a regional federation, staff had to be distributed throughout the region. Delay were experienced in acquiring the necessary work permits
	To install telephony system	This was achieved during the period	Delay of funds caused delay in settlement of the vendor's dues.
	Procurement of staff health insurance Scheme and other office supplies	Part of the printing and procurement done	Health insurance covers for the staff delayed by the delay in disbursement of funds.
Lobbying and advocacy	To organise a consultative meeting of the technical Committee formed by the FEAFFA and the Commissioner Generals of the Revenue Authorities from the five countries of EAC	The first meeting of the technical committee was organised in July in Rwanda. FEAFFA was represented by three members. The meeting deliberated on the issues presented to the Commissioner Generals by FEAFFA in May 2010. These issues are listed below. However, Revenue Authorities sought more time to further consult on the proposals by FEAFFA. A follow up meeting was agreed and scheduled for September though it was later pushed back to October 2010 • Training and certification of	Revenue Authorities wished to consult their legal departments on the proposed changes for the same of ensure consistency and determining whether any changes to the existing laws was necessary.

		<p>Customs agents</p> <ul style="list-style-type: none"> • Establishment of an accreditation and registration system to enhance professionalism, ethics and integrity in the freight forwarding sector. • Sensitisation of Customs agents on East Africa Community Common Market • Harmonisation and simplification of licensing procedures in the Region by the Customs administration • Mutual recognition of licences issued by one Customs administration in the Region by the rest. • Putting in place a structured system of engagement between the Federation and the Revenue Authorities • Increasing the uptake of the Authorised Economic operator by freight forwarders (Customs agents) • Establishment of a dispute resolution mechanism • Allowing vehicles licensed to carry transit cargo to convey interstate goods. • Harmonisation of working procedures and hours between ports and border stations. 	
Membership services	Development of a membership directory	Vendor contracted to publish a directory of all the services providers under FEAFFA in the East Africa region. The directory will be available in print but will also be available online.	This is a self financing activity that is also expected to generate some revenue.
	Develop Standard Trading Conditions	To address the weak contractual capacity of most of the service providers, especially Small and Medium Enterprises (SMEs), FEAFFA Secretariat has embarked on a task to develop Standard Trading Conditions (STC). These will assist services in doing business and protecting the consumer of the freight forwarding services.	This activity is not funded under the COMPETE grant.
Professionalism, Certification and Accreditation	Organise a meeting of the committee that is coordinating implementation of the East Africa Customs Freight Forwarding	The meeting was held meeting in Kampala in July. It reviewed progress made in the implementation of the programme. The following issues were prioritised.	

	Practising Certificate (EAC)-Curriculum Implementation Committee (CIC)	<ul style="list-style-type: none"> Needs assessment Training of more trainers Certification Certificate of Competence Private Public sector partnership in implementation of the programme in Tanzania 	
	Coordinate implementation of the East Africa Customs Freight Forwarding practising certificate (EACFFPC)	<p>FEAFFA Secretariat undertook an assessment to establish the status of implementation of the EACFFPC.</p> <p>From the exercise, it was clear that most countries had trained less than a third of the expected numbers. The total number of those trained (including those in session) is 1654. The balance is nearly 3480 persons which translates into 85 classes of 40 students each.</p>	There is serious capacity constraint to execute the training. New strategies on how to create more capacity being devised since the certificate will soon become a mandatory condition for licensing Customs agents.
	Code of Conduct printing, launching and sensitisation.	The Code of Conduct was ready for printing. Endorsement messages for the Code have been obtained from key stakeholders such as Customs administrations, shippers and manufacturers, port operators, Central and Northern corridor secretariats, Directorate of Customs of the East African Community.	Lack of funds delayed printing the Code of Conduct. Printing will be done as soon as funds are available.
	Establishment of an E-learning platform	FEAFFA Secretariat is in the process of setting up an E-learning platform in order to make training programmes more accessible. This will address challenges of delivering training at border stations and other operational areas that are far removed from the major cities. A development partner to support this activity has been identified; a vendor has selected and will be contracted directly by the development partner in October. The E-learning portal is expected to be ready by end of this year.	This activity is not funded under the COMPETE grant.
	Establishment of a registration system for practitioners/professionals	FEAFFA has identified a donor to support establishment of a regional registration system for professionals/practitioners in the freight forwarding sector. A support agreement is scheduled to be signed on 2 nd of November 2010 after which the project will commence. The project has been endorsed by the Commissioner Generals of the East Africa Revenue Authorities.	This activity is not funded under the COMPETE grant.

	Establishment of an accreditation system	FEAFFA is also in the process on putting up an accreditation Board. The Board will be responsible for determining minimum professional requirements, accrediting training programmes, accrediting training institutes etc. There is a development identified to support this activity and the relevant agreement is scheduled to be signed on 2 nd of November 2010 after which the project will commence. The project has been endorsed by the Commissioner Generals of the East Africa Revenue Authorities.	This activity is not funded under the COMPETE grant.
Knowledge Management	To sensitise freight forwarders in all the five countries on the East Africa Community Common Market.	One sensitisation was held in Rwanda. A total of 80 participants attended. The half day seminar was facilitated by experts from the Rwanda Revenue Authority.	Funding challenges caused the delay in running seminars in other countries though dates had been appointed. For Rwanda, the seminar had to proceed since RRA officers had already been committed to facilitate and cancellation at the last minute would not have augured well. The bill for the seminar will be settled once funds are availed.
	Website development	Contract was awarded in September and construction commenced soon after. It is expected to ready before end of October 2010. The website address is www.feaffa.com	It is anticipated that by the time the site is ready, funds will be available to pay the contractor.
	Development of a newsletter for the Federation	This activity will be contracted to a suitable service provider. Terms of Reference have already been developed. The Secretariat is finalising on selection of a suitable vendor and work on the first issue will commence in October 2010.	This activity is not funded under the COMPETE grant.
	Online information Portal	Secretariat has identified a development partner to support an online information portal project. The portal will mirror the single window concept, therefore being a stop-shop centre for information. A contractor should be on board before end of October 2010	This activity is not funded under the COMPETE grant.

Section C. Conclusion

- Delay in the remittance of funds impacted on virtually all activities that were to be executed during the

quarter under review. Without the surety that funds will be available, planning is also becoming rather as we shy away from taking commitment. This might affect activities in the next quarter.

- There were no serious cost overruns during the quarter and where cost exceeded the allowable limit, approval was obtained from COMPETE.
- The attempt to recast the budget caused a bit of derailment and confusion on our side. For some activities, we had already our affiliate national associations to start planning but had to revise our instruction as a result of the budget recast. It will be important that due process is followed at all times in funds/budget management for the sake of good order and understanding by all.

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